

Message Text

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64

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 AID-20 EB-11 COME-00 TRSE-00 OMB-01 SCEM-02

SCI-06 INT-08 AGR-20 DRC-01 /167 W

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R 141657Z DEC 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2113

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E.O. 11652: N/A

TAGS: ENRG ETRD EAGR VE

SUBJ: AUTHORITY TO CONTROL DESTINATION OF PETROLEUM EXPORTS

REF: CARACAS A-601 OF 12/21/71; CARACAS 10181

1. DECREE 832 OF DECEMBER 18, 1971 (REF AIRGRAM)
REQUIRES PETROLEUM CONCESSIONAIRES IN VENEZUELA TO
SUBMIT FOR THE APPROVAL OF THE MINISTRY OF MINES AND
HYDROCARBONS BY DECEMBER 1 EACH YEAR THEIR PROGRAMS
FOR COMING YEAR WITH RESPECT TO EXPLORATION, PRO-
DUCTION, SALES, AND INVESTMENTS. REPORTS SUB-
MITTED BY OIL COMPANIES UNDER THIS DECREE ARE
EXTREMELY DETAILED AND IN CASE OF SALES PLANS
(INCLUDING EXPORTS) SPECIFY NOT ONLY COUNTRY TO
WHICH PRODUCTS WILL BE SHIPPED BUT ALSO IDENTIFY
BUYER. MINISTRY HAS AUTHORITY TO APPROVE OR DIS-
APPROVE PLANS AND TO ORDER SUSPENSION OR REDUCTION OF
PRODUCTION IF PROGRAMS, IN JUDGMENT OF MINISTRY, MIGHT
HARM NATION. ONCE APPROVED, PROGRAMS MUST BE FOLLOWED
BY OIL COMPANIES, UNLESS MODIFICATIONS REQUESTED 30
DAYS IN ADVANCE AND APPROVED.

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2. IN OPINION OF ROBERT DOLPH, PRESIDENT OF CREOLE

PETROLEUM CORPORATION, VENEZUELAN GOVERNMENT HAS AMPLE
AUTHORITY UNDER THIS DECREE TO CONTROL AMOUNTS OF OIL
SENT TO PARTICULAR COUNTRIES. NEITHER HE NOR EMBASSY
EXPECTS THIS AUTHORITY TO BE USED AT THIS TIME TO
CONTROL DESTINATION OF OIL SHIPMENTS WHICH NOW REGU-
LATED BY MARKETING DECISIONS OF OIL COMPANIES. HOW-
EVER, EMBASSY BELIEVES THAT DEPARTMENT SHOULD BE AWARE
THAT SUCH AUTHORITY EXISTS AND COULD BE USED IF U.S.
WERE TO IMPOSE SHORT SUPPLY RESTRICTIONS ON ANY
COMMODITIES IMPORTANT TO VENEZUELAN ECONOMY WITHOUT
PROVIDING EXEMPTION FOR VENEZUELA, IN RECOGNITION OF
ITS IMPORTANCE AS AN OIL SUPPLIER DURING THIS CRITICAL
PERIOD. EVEN IN ABSENCE OF ANY U.S. RESTRICTIONS ON
EXPORTS, VENEZUELA COULD USE ITS CONTROL OVER OIL SHIP-
MENTS AS LEVERAGE TO HELP IT GAIN PREFERENTIAL ACCESS
TO ANY NEEDED IMPORTS THAT ARE COMMERCIALY IN SHORT
SUPPLY ON WORLD MARKETS.
MCCLINTOCK

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Message Attributes

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Channel Indicators: n/a
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Draft Date: 14 DEC 1973
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
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EO Systematic Review
30 JUN 2005

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To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005